

HOME MARKET EAST VALLEY

Custom home building can offer more flexibility

Experts recommend buyers look at options

By MICHELLE SWAFFORD TRIBUNE -

Kiran Dhole and his wife, Sneha, didn't plan to build a custom home, but after a Valley production builder, wouldn't allow beige interior walls or variances in kitchen choices, they changed their mind.

They got their beige walls, stone throughout the interior and an upgraded kitchen island in their 3,600-squarefoot home when they hired Mesa-based Desert Haven Construction. The best part was that they got a custom home without paying millions of dollars.

"Being a custom homeowner, the builder just follows your instruction," Dhole said. "Production homes have a really cut-and-dry mentality."

Custom and semi-custom homes allow more flexibility in home design and features than so-called production homes, which typically are built with set floor plans with limited options. But most real estate experts say they aren't for everybody and there are pros and cons to all three.

Before hiring a custom builder, Dhole scouted his options to make sure he could get what he wanted. He recommends meeting the builder to make sure everyone gets along and talking with other homeowners who own homes by the builder.

He also checked for complaints with the Arizona Registrar of Contractors, which licenses builders and subcontractors.

Custom homes take between one and two years to build and can vary in price from \$300,000 to several million dollars.

"You need to be able to feel extremely comfortable because you'll spend a year and one-half of your life with me," said Neil Lannuier, president of Desert Haven Construction.

"It's possible to build a custom home reasonably if they can find the right piece of property," he said.

Some custom builders prefer to find the lot with the homeowner before building the home, while others work primarily with people who already own lots.

"So often people go out and find a lot and they fall in love with it but you can't build a house on it or it will cost more to build," said Larry Kush, president of Scottsdale-based Montevina Estate Homes.

Tony Calvis, co-owner of Scottsdale-based Calvis Wyant Luxury Homes, said production homes might be better for people concerned about when they can move-in and price.

"The biggest advantage to a production home versus a custom home is price," he said. "You can save an awful lot of money if you do something over and over again."

"We spend a lot of time talking people out of building custom," Calvis said. "The prospect that comes in needs to be educated about what things cost. The general rule of thumb: If you can buy what you're asking for from a production builder, you probably should."

Diane Creamer purchased a 3,600-square-foot semicustom home in Scottsdale's DC Ranch community because she didn't want to wait so long to move in. A semi-custom home has basic floor plans like a production home, but offers more options and the layout can be altered inside.

"(With custom homes) you've got to wait so long for planning and zoning and everything else," Creamer said. "We wanted to get in in a reasonable time and didn't want to wait two years."

She was able to choose her sinks, change her kitchen island and replace bathtubs with larger showers.

Mark Hancock, president of Camelot Homes, is a semicustom builder and tries to combine the efficiency of production building with the flexibility of custom building.

He might offer five basic floor plans in a community, but have 80 different styles because of differences in the lots and grades.

"A production builder is going to basically have a set group of floor plans and a set group of options that you could choose from as a buyer," he said. "That's the way most big builders are going to operate because it's very labor intensive to go outside the norm."

Custom buyers have to make a multitude of decisions.

"If you're horrible at decision-making, this process, you'll hate it," said Deborah Malone, president of Scottsdale-based JP Malone Construction.

She makes her buyers fill out a 16-page, 1,186-question survey about their preferences. It includes door stops, ceiling heights, tiles, colors, finishes and many other topics.

Whether a home is custom or production, homeowners need to keep future owners in mind when choosing options, builders say.

Purchase mortgage rates				
As of Thursday July 24, 2003		1-year adjustable rate mortgage		
Lender	30-year mortgage		1-year adjustable rate mortgage	
	Discount fees/ origination cost	Annual percentage rate	Discount fees/ origination cost	Annual percentage rate
Bank of America	0.20	6.22	n/a	n/a
Bank One	1.13	5.88	1.00	3.92
Compass Bank	0.50	5.82	1.75	3.96
First Nat. Bank of AZ	1.00	6.21	1.00	4.04
M&I Bank	0.00	6.28	0.00	3.84
National Bank of AZ	0.00	5.86	n/a	n/a
Northern Trust	0.00	6.20	n/a	n/a
Washington FS&L	1.00	5.73	n/a	n/a
Wells Fargo	1.00	6.35	n/a	n/a
World Savings Bank	1.00	5.94	n/a	n/a